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Approved For Release 2001/03/05 : CIA-RDP82-00283R000200030002-1

ECONOMIC INTELLIGENCE COMMITTEE

EIC-D-323/h

TERMS OF REFERENCE FOR THE SUBCOMMITTEE ON SHIPBUILDING

(Approved by the EIC on 17 November 1958)

A. Mission of the EIC Subcommittee on Shipbuilding

The mission of the EIC Subcommittee on Shipbuilding is to provide an organizational framework for carrying out within its field the basic review and coordination responsibilities of the EIC and for ensuring that, on intelligence matters in its field affecting the national security, the intelligence community is supported by the full economic knowledge and technical talent available in or to the Government.

The scope of the subject matter considered by the Subcommittee is defined in Annex A.

B. Membership and Organization

1. Membership of the Subcommittee on Shipbuilding consists of representatives of the USIB agencies as designated by these departments and agencies and approved by the EIC.

2. Representatives of other government departments and agencies may participate as Associate Members of the Subcommittee upon approval of the EIC.

3. Active participation by agency representatives generally is governed by (a) the extent to which each agency concerned has economic intelligence production responsibilities in the field of shipbuilding, (b) the extent to which an agency has an interest in economic intelligence of broader scope which involves reference matters within the scope of the Subcommittee; and (c) the availability of qualified personnel.

4. The Chairman of the Subcommittee is designated by the EIC and the Central Intelligence Agency provides the permanent Secretariat. The Subcommittee may set up ad hoc working groups as necessary to assist in carrying out any of its assigned functions. The production of interdepartmental economic intelligence normally is assigned to ad hoc working groups rather than to the Subcommittee proper.

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C. Functions

1. As the standing interagency economic intelligence group of professional and technical personnel in the field of shipbuilding, the Subcommittee shall perform the following minimum functions:

- (a) With the guidance of current Priority National Economic Intelligence Objectives, identify significant research and collection deficiencies in its field of responsibility and;
- (b) Develop and report not less than annually to the EIC ways in which these recognized research deficiencies could be, or are being, corrected and ways in which improvements could be, or are being, made in economic intelligence collection requirements and in the distribution and processing of economic intelligence information.
- (c) Facilitate review of proposals for external research contracts in its field in accordance with the provisions of DCID 3/1 using the procedures adopted by the EIC. (See EIC-D-112/1, 5 June 1958, Procedures for EIC Review of Proposed US Government External Economic Research Contracts Involving More Than \$5000.)
- (d) Produce, on its own initiative (with EIC approval), or when directed by the EIC, interdepartmental economic intelligence on subjects in its field which transcend the competence of a single department or agency.
- (e) Arrange on its own initiative, or when directed by the EIC, for the coordination of individual agency reports deemed of sufficient national security importance to warrant the solicitation of concurrences from the representatives on the Subcommittee. Arrange for coordination with other Subcommittees as appropriate.
- (f) Mobilize, in support of the Intelligence Community, the full economic knowledge and technical talent in its field available in or to the Government. Such support will normally take the form of ad hoc responses to the requests of other USIB Committees. (e.g. -- The USIB Ad Hoc Committee on Exchanges)

2. In addition to the minimum functions outlined above, the Subcommittee on Shipbuilding shall perform the following functions when appropriate:

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- (a) Assist or advise agencies in the programming of research in order to minimize duplication and assure as effective a distribution of research effort as is practical in view of each agency's responsibilities.
- (b) Provide an opportunity for the review and comparison of methodologies utilized in research in the field covered by the Subcommittee.
- (c) Provide an opportunity, where appropriate and practical, of obtaining closer agreement on selected basic statistics within the field of competence of the Subcommittee.
- (d) Bring to the attention of the EIC current problems and requirements for coordinated research which are recognized by the members of the Subcommittee.

D. Operating Procedures

The Subcommittee shall establish its own operating procedures subject to the following conditions:

1. It shall meet in formal session at least once each fiscal year to prepare and approve its Annual Report to the EIC. The Annual Report will be responsive to the request of the EIC Secretariat and will cover the activities of the Subcommittee in fulfilling its mission as outlined in C, above. The Subcommittee will schedule other meetings as required to fulfill its missions.
2. The Subcommittee Secretariat shall provide all members of the EIC, the Subcommittee, and the EIC Secretariat with copies of the Agenda and Minutes of its meetings.
3. Reports and recommendations which have been approved by the Subcommittee may be transmitted to the EIC without comment. In case of dissent, the transmittal must be accompanied by an appropriate statement, prepared by the dissenter(s), advising the EIC of the nature and substance of the dissent.

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ANNEX A

SUBJECT MATTER SCOPE

1. The Subcommittee on Shipbuilding shall be concerned with the economic activities noted below:

- a. Construction and repair of ships and small craft for use in the naval, maritime, inland and fishing fleets and of such other items of floating equipment as may be considered normal products of the shipbuilding industry of any country.
- b. Manufacture of important components of the foregoing such as main propulsion machinery, ship's electrical equipment, shipbuilding steel, generators, evaporators, reduction gears, auxiliary equipment such as winches and pumps, and armament peculiar to naval use, but only in cooperation with the appropriate subcommittee.

2. The Subcommittee on Shipbuilding shall be concerned with areas other than the US and in order of priority (a) the USSR, (b) the European Satellites, (c) Asian Communist countries, and (d) the rest of the world.

3. The Subcommittee on Shipbuilding shall concern itself with the following questions in agreement with the functions of the Subcommittee relating to the items listed in paragraph 1 above:

- a. For ship construction and ship repair.
 - (1) The organization of the industry.
 - (2) The location and function of the various shipbuilding and ship repair installations.
 - (3) Technical characteristics of the industry including management, new developments, methods and productivity.
 - (4) Statistics of output and of potential capacity of the industry including criteria for estimating capacity.
 - (5) Input requirements of the industry including capital investment, materials, power and labor force.
 - (6) Other questions in agreement with the functions of the Subcommittee and as directed by the EIC.

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b. For manufacture of ships; components.

- (1) Organization of industry; relations between producing units and consumer, reaction to changes in political picture and economy.
- (2) Location and nature of facilities producing the principal ship components and material.
- (3) Productivity of labor; how it affects the production of finished ships.
- (4) Capabilities and limitations of the component manufactures in the framework of the Bloc economies.
- (5) Input requirements including capital investment, materials, power and labor force.
- (6) Consumption pattern; shortages, surpluses, stockpiling.